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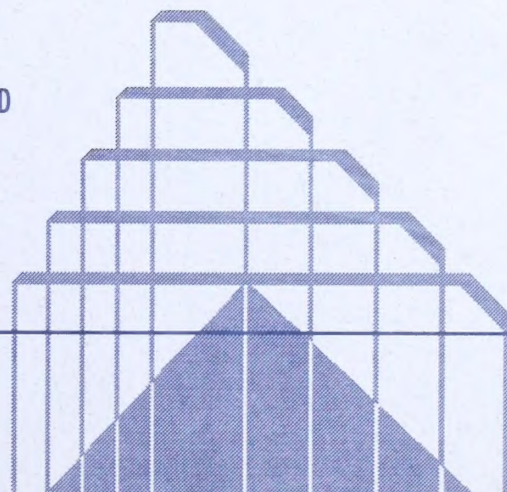
PUBLIC WORKS, SUPPLY AND SERVICES 1995-96 ANNUAL REPORT

CANADIANA

APR 2 1997



OUR MISSION:
TO MINIMIZE THE COSTS OF COMMON SERVICES NEEDED
TO SUPPORT GOVERNMENT PROGRAM DELIVERY.





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ALBERTA

PUBLIC WORKS, SUPPLY AND SERVICES

*Stan Woloshyn, Minister
MLA, Stony Plain Constituency*

August 1996

Honourable Stan Schumacher
Office of the Speaker
Legislative Assembly of Alberta
Room 325, Legislature Building
Edmonton AB T5K 2B6

Dear Sir:

It is my honour to present to you the Annual Report for Alberta Public Works, Supply and Services for the fiscal year ending March 31, 1996.

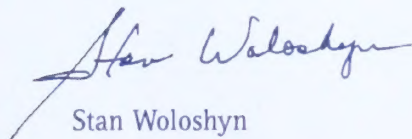
Sincerely,

A handwritten signature in blue ink, appearing to read "Stan Woloshyn".

Stan Woloshyn
Minister

STATEMENT OF RESPONSIBILITY

The ministry's annual report for the year ended March 31, 1996 was prepared under my direction in accordance with the Government Accountability Act and the government's accounting policies. All the government's policy decisions as of March 31, 1996 with material economic or fiscal implications of which I am aware have been considered in the preparation of the ministry annual report.



Stan Woloshyn

Minister

Public Works, Supply and Services

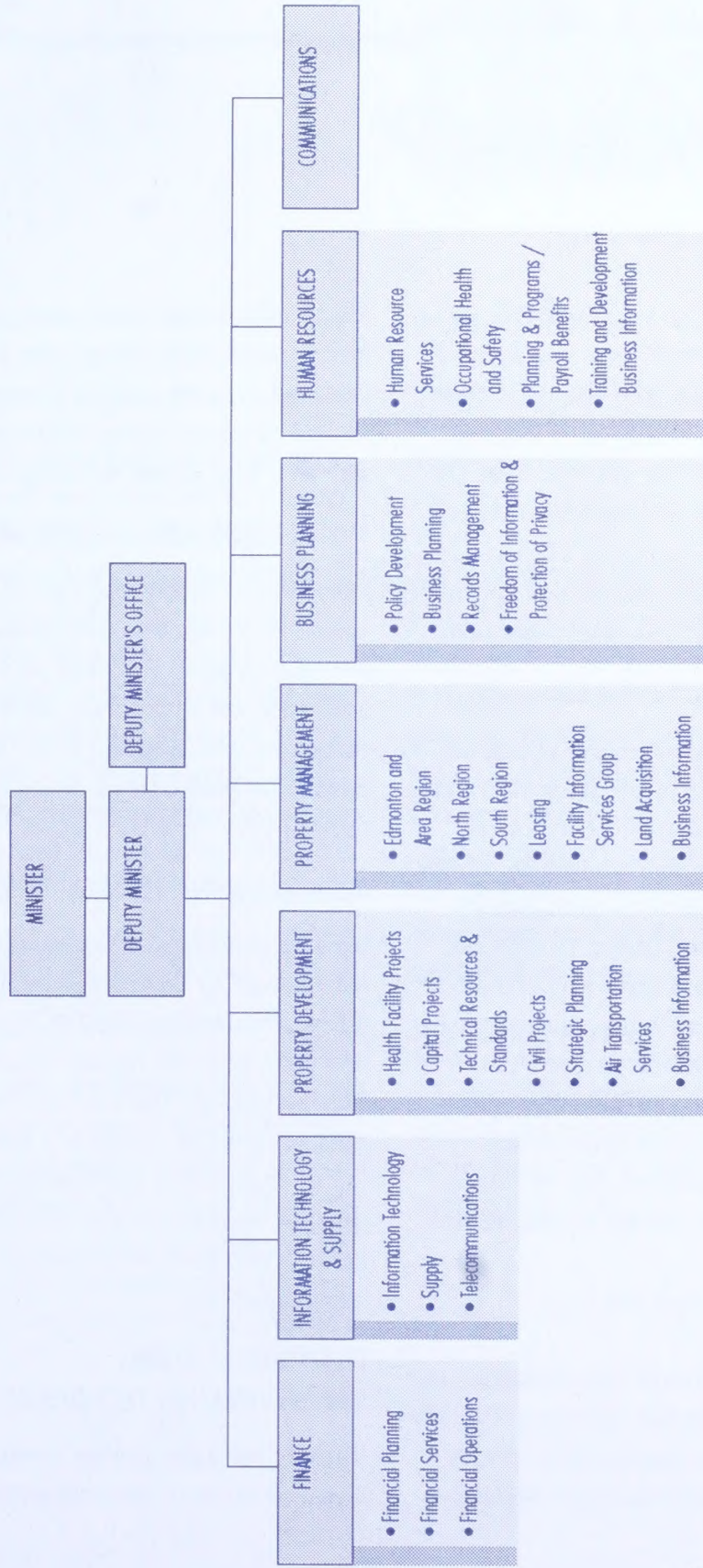
August 1996



CONTENT

ORGANIZATION CHART	3
MESSAGE FROM THE MINISTER	4
MESSAGE FROM THE DEPUTY MINISTER	6
DEPARTMENT PROFILE	8
REVIEW OF OPERATIONS AND MAJOR INITIATIVES	17
RESULTS AND PERFORMANCE MEASURES	32
FINANCIAL REPORTS	35

ORGANIZATION CHART



As of April 1, 1996



MESSAGE FROM THE MINISTER

MANDATE

Public Works, Supply and Services (PWSS) is responsible for providing common services required by and on behalf of other government departments in the core business areas of property development, property management, and information technology and supply.

During the 1995-96 fiscal year, Public Works, Supply and Services (PWSS) exceeded many of our business plan targets. This resulted in operating savings of \$24.8-million more than the business plan target for the ministry. These savings were the result of reducing capital projects and government space inventory, effective and efficient outsourcing and privatization initiatives, and the streamlining of department operations.

CAPITAL CONSTRUCTION PROJECTS

During this fiscal year, we reduced our capital project budget by \$33-million. We worked with program departments and the newly formed Regional Health Authorities to maintain existing infrastructure and improve the utilization of existing owned facilities. During 1995-96, we spent approximately \$95-million on health care facility projects, \$33-million on government capital projects, \$18-million on senior's lodge upgrading projects and \$13-million on water development projects. These projects were required to meet the program delivery responsibilities of departments and the regional health authorities.

GOVERNMENT SPACE

We continued our efforts to reduce government space inventory during this fiscal year, and worked with program departments to identify surplus office and warehouse space throughout

Alberta. Where appropriate, leases were terminated and owned buildings were put up for sale. This resulted in the space inventory being reduced by approximately 55,000 square metres with associated annual operating cost reductions.

PRIVATIZATION AND OUTSOURCING

Public Works, Supply and Services began a number of privatization and outsourcing initiatives more than 20 years ago. As a result of our innovation and streamlining, more than 93 per cent of our total spending is now directly dedicated to program delivery, which is largely carried out by the private sector.

ORGANIZATIONAL STREAMLINING

We have streamlined department operations and reduced staff by 1,156 Full-Time Equivalent (FTEs) positions since 1992-93. In our first business plan, the target for staff reductions was 656 FTEs by 1995-96. This has been exceeded by 500 FTEs, primarily as a result of a reduction in new capital construction, and outsourcing and privatizing of departmental activities. Our department has now completed the majority of its downsizing initiatives.

TELECOMMUNICATIONS AND INFORMATION TECHNOLOGY

Virtually every government department has increased its use of telecommunications and

information technology to improve delivery of their program services. Demand for the use of our shared networks continues to be very high.

We developed a government-wide Internet Strategic Plan and made considerable progress towards implementing the plan. This included introducing several new government-wide services and working with many government organizations who were implementing new Internet applications such as Project Barley for Agriculture, Food and Rural Development. We expect to see other initiatives implemented in the future as the Internet is increasingly used to economically access world-wide services and to deliver many information services directly to the public.

FREEDOM OF INFORMATION AND PROTECTION OF PRIVACY

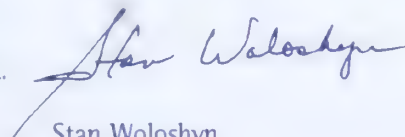
On October 1, 1995, the Freedom of Information and Protection of Privacy Act was proclaimed. This legislation was enacted as part of Premier Klein's commitment to the people of Alberta for a more open and accountable government. The department coordinated implementation of the legislation and is responsible for its administration.

OUR FUTURE PLANS

Our 1996-97 business plan strategy calls for the continued privatization and outsourcing of those departmental functions that can be more effectively delivered by the private sector. The plan focuses on business functions that capitalize on our strengths and add value to processes and service delivery. The plan also emphasizes retaining, developing and acquiring employees with appropriate skill sets to meet our business plan and program delivery objectives. Finally, the plan contains strategies for business and process re-engineering and restructuring to make the most efficient use of resources (both dollars and staff) and information technology in delivering programs, while minimizing administration and associated costs.

THE YEAR IN REVIEW

The following report is an in-depth account of the work and achievements of Alberta Public Works, Supply and Services' team during the 1995-96 fiscal year.



Stan Woloshyn
Minister



MESSAGE FROM THE DEPUTY MINISTER

OUR VISION

A professional service organization, enabling the delivery of government services to Albertans by providing quality facilities, products and services meeting demonstrated needs, at low cost.

OUR BUSINESS

PWSS is the central agency that provides government departments with the services they need to deliver or support government programs. PWSS' responsibilities include constructing and maintaining capital infrastructure, providing government accommodation and information technology services, and undertaking procurement functions.

OUR APPROACH TO BUSINESS

In conducting our business, our approach is based on the principles of accountability, openness and accessibility. We set standards, meet essential needs and promote cost effectiveness through strong and responsible financial management. We make the best use of private sector resources to ensure that the government – and ultimately the taxpayers of Alberta – receive maximum value for each dollar spent. We continue to look for opportunities to improve the way we do business, making sure that we balance cost effectiveness with service to our clients and stakeholders.

CLIENTS AND STAKEHOLDERS

Our clients are the departments, boards and agencies of the Government of Alberta, for whom we provide services that enable them to deliver government programs. In close cooperation with the program departments of Health,

Education and Advanced Education and Career Development, we also serve publicly funded hospitals, schools and post-secondary education institutions. Our external stakeholders include businesses, suppliers, consultants and contractors.

We also consult and work with professional associations such as the Association of Professional Engineers, Geologists and Geophysicists of Alberta, the Consulting Engineers of Alberta, and the Alberta Association of Architects, which represent stakeholder groups.

SERVING THE CUSTOMERS

Our business is driven by our customers – our clients and stakeholders – and their needs. To best meet these needs, we have redefined and streamlined the department's structure and functions, and ways of delivering service. This year, we initiated customer satisfaction surveys and asked a cross-section of our customers to assess our performance. The information gathered from these surveys has helped us establish priorities and shown us where we can make improvements.

As a result of our efforts to improve customer satisfaction, the Southern Regional Office of the Supply Division received the **Premier's Award of Excellence** in May 1995 for exceptional commitment to superior customer service and business practices, and for creating a supportive work environment.

SETTING STANDARDS

We continue to establish benchmarks for our services. This allows us to compare ourselves with other organizations that provide or manage similar services, and gives us the opportunity to assess our own performance and note areas where change or improvement is needed.

MAINTAINING THE INFRASTRUCTURE

Our emphasis continues to be on maintaining essential existing buildings, extending their useful life, and making the best use of them. Increasingly, we facilitate arrangements for departments to share government space with local governments and government-funded agencies. Tenders were put out for 242 projects, for a total value of \$40.5-million.

FOSTERING OPPORTUNITIES FOR ALBERTA BUSINESS

During the year in review, a number of our initiatives helped foster increased opportunities for Alberta business.

- We helped open up the national marketplace for Alberta businesses by playing a leading role in negotiating and implementing the government procurement chapter of the national Agreement on Internal Trade.

- Streamlining our purchasing processes allowed departments to purchase more goods locally, which reduced administration costs for vendors as well as for departments.
- We provided more business opportunities for Alberta companies by increasing the outsourcing of property management services, information technology services, and courier delivery.

MEETING OUR GOALS — OUR COMMITTED STAFF

During the year in review, the department met or surpassed many of the goals outlined in our business plan, and the following pages describe how we achieved this.

In closing, I would like to commend our staff most heartily for their determination to make PWSS successful in reaching or going beyond our targets. The last few years have been a period of great change in the department — change that has been difficult at times. Our achievements have been realized only through the hard work and commitment of our staff to finding better ways to serve Albertans.



Dan Bader, P. Eng.
Deputy Minister



DEPARTMENT PROFILE

OUR APPROACH TO BUSINESS

In conducting our business, our approach encompasses the following principles, beliefs and values:

- accountable, responsible delivery and consumption of services
- openness, honesty, fairness, sensitivity and trust in our dealings
- priority setting and management of resources in a fiscally and environmentally responsible manner
- knowledgeable, skilled, service-oriented and adaptable people
- involvement of our customers, stakeholders and staff in designing solutions and evaluating their delivery
- partnerships and cooperation with other organizations and individuals to meet the needs of Albertans
- a bias for results – with planning, implementation, evaluation and correction, and a minimum of process, providing the basic model for all that we do

OUR GOALS

The desired end results of our business plan are:

- a responsive, smaller and more efficient organization
- new partnerships in the delivery of services
- facilities developed and services delivered within a balance of standards, quantity and cost
- an environmentally sensitive organization
- improved program department accountability and responsibility for PWSS services consumed
- cost-effective, innovative approaches to increase the utilization of owned and leased assets
- effective and efficient administration of assigned government initiatives fostering open, accountable and accessible government

OUR RESPONSIBILITIES

Public Works, Supply and Services is a central agency department responsible for providing common services needed to support government programs. We are responsible for providing

capital infrastructure, accommodation, information technology and procurement services and functions to support government program delivery. Our capital assets total more than \$2-billion, including \$1.2-billion in buildings, \$610-million in land (including land in the Transportation and Utility Corridors), \$14-million in computer hardware and systems and \$77-million in aircraft, various equipment and other assets.

The department provides services through three core business units: Property Management, Property Development, and Information Technology and Supply.

PROPERTY MANAGEMENT

Property Management provides three major business services to government departments and agencies throughout the province. It operates and maintains government-owned facilities in more than 200 locations; it acquires and administers leased space; and buys and sells properties including all parcels within the Edmonton and Calgary Transportation and Utility Corridors. These services are provided through three Regional Property Management units, the Leasing Branch and the Land Acquisition Branch.

The three **Regional Property Management** units cover the Edmonton and Area Region, South Region and North Region. The units pro-

vide facility management services for approximately two million square metres of space. These units manage a varied portfolio that includes specialized facilities such as correctional centres, courthouses, fish hatcheries, Alberta Vocational Colleges, research facilities, rehabilitation centres, two auditoria, museums and historical sites as well as numerous warehouse facilities and office buildings.

The **Leasing Branch** negotiates and administers more than 1,300 leases at a total cost for 1995-96 of \$86.8-million. The majority of the leases are in Edmonton and Calgary, although leases are spread throughout the province.

The **Land Acquisition Branch** negotiates the purchase of lands for program departments, the Edmonton and Calgary Transportation and Utility Corridors, reservoir projects and departmental construction projects. The branch also administers the sale of properties surplus to government needs.

Two additional groups within Property Management provide central support for its major functions. The **Facility Information Services Group** provides facility evaluations, preventive maintenance programs and technical support to facility managers throughout the province. The **Business Information Systems Branch** manages financial and busi-

ness information systems and oversees records management for Property Management.

PROPERTY DEVELOPMENT

Property Development works with program departments, government boards and agencies to plan, allocate and develop space. This area also coordinates professional and technical resources and establishes design and furnishings standards. Major responsibilities also include managing water development projects, capital projects, social housing projects, health care capital funding and air transportation services. Property Development provides these services through seven divisions: Health Facility Projects, Technical Resources, Strategic Planning, Civil Projects, Capital Projects, Air Transportation Services and Business Information Branch.

The **Health Facility Projects Division**, with offices in Edmonton and Calgary, manages the provincial government's health facility capital program. In 1995-96, the budget was \$111-million. The division, in conjunction with Alberta Health, works with the Regional Health Authorities (RHAs) to assess their existing facilities, develop long-term capital plans, and plan for required new projects. Once the RHAs submit capital plans and proposals for specific new projects, the division works with Alberta Health to assess the projects against Provincial Capital

Planning Guidelines to determine the priority of the projects in relation to available capital funds. When projects are approved by the government, the division works on their planning and implementation with the RHAs and their consultants.

In 1995-96, the new RHAs, the Provincial Mental Health Board and the Alberta Cancer Board submitted proposed capital plans. Following an assessment of these projects with Alberta Health, the government approved 14 new capital projects to proceed with design and construction (see Chart A).

The **Technical Resources and Standards Division** provides a wide range of professional and technical support for the planning, budgeting, design, value analysis, documentation, construction, renovation, commissioning, use, operation and maintenance of government facilities. Through its own resources or through private sector consultants, the division provides these services to the department and to other departments, boards and agencies. It is also responsible for establishing, coordinating and maintaining standards for the design and technical performance of buildings and the workplace.

The **Strategic Planning Division** is responsible for maintaining data on the department's owned and leased property including buildings,

CHART A

New Project Approvals in 1995-96

Project Cost (000)

CALGARY

Rockyview Hospital Consolidation	\$36,900
Peter Lougheed Consolidation	\$30,000
Foothills Hospital Consolidation	\$28,100
Carewest New Alzheimer's Care Centre	\$3,800

EDMONTON

Community Health Centre Conversions	\$16,700
Capital Care Norwood Redevelopment	\$14,000
University Hospital Emergency Department	\$3,800
Glenrose Hospital - Northern Alberta Regional Geriatric Program	\$2,200
Royal Alexandra Hospital, Pediatric Mental Health	\$3,500
Northeast Community Health Centre	\$6,500
Referral Hospitals Food Distribution	\$4,200
Children's Health Centre Development (University Hospital Site)	\$18,900

OTHER

Slave Lake General Hospital Replacement	\$15,100
Whitecourt General Hospital Renovations and Addition	\$5,100



land and parking; monitoring utilization of this property; developing corporate policies and strategies for the effective utilization and disposition of government property; and responding to non-government user requests for use of surplus government space.

The **Civil Projects Division** is responsible for budgeting, designing and constructing major water development and rehabilitation projects as well as managing municipal and civil engineering services for government-owned sites. Projects include water supply and distribution systems, sewage collection systems, legal surveys, demolitions, environmental assessments, site restitutions, large dams and canals, and environmental mitigation.

The **Capital Projects Division** provides professional and management services required to plan, deliver and administer building construction, tenant improvements and social housing projects on behalf of client departments, boards and agencies of the Alberta government. Private sector resources are used for virtually all design and construction requirements.

Air Transportation Services provides air travel services on government-owned and private chartered aircraft for government departments, boards and agencies. During 1995-96, the government fleet consisted of one deHaviland

Dash 8, three Beechcraft King Air 200s, and four Canadair CL-215 water bombers. The water bombers are operated and maintained by a private sector contractor. Users of the government fleet are Environmental Protection who use the aircraft mainly for forest fire suppression, Executive Council, and other government departments. The priorities for use of government aircraft are situations involving human life, environmental disasters, and Executive Council and department travel.

In addition to the Alberta operation, the four CL-215 water bombers and Dash 8 aircraft were used extensively in forest fire suppression activities in Ontario and Quebec under the Mutual Aid Resource Sharing Agreement with the provinces, territories, and the United States. These aircraft flew a total of 451 flight hours resulting in a return of \$1.4-million to our province's general revenue fund.

The **Business Information Branch** provides financial administration, budget management, electronic data processing, and administrative and records management support to Property Development.

INFORMATION TECHNOLOGY AND SUPPLY

Information Technology and Supply provides government-wide leadership in managing and using information technology and telecommuni-

cations, and acts as the central procurement and surplus disposal agency for the government. It does this through three business units:

Telecommunications Division, Supply Division and Information Technology Division.

The **Telecommunications Division** plans, implements and manages shared telecommunications networks which serve the voice, data, video and mobile radio communication needs of government. It also provides consultation and project management services. Most services are provided through contractual arrangements with the private sector. Significant economies of scale and savings of tax dollars are achieved by aggregating government needs and sharing our province-wide networks, and negotiating bulk contracts and standing offers for a variety of telecommunications services, such as long distance services, local telephone services and equipment and cellular services.

The **Supply Division** helps departments and agencies acquire goods, and provides vendors with an equitable means of competing for this government's business. The main processes, carried out in Edmonton and Calgary offices, are:

- establishing standing offer agreements which allow departments and agencies to order goods directly from vendors

- issuing invitations to tender and purchase orders in response to requisitions from customer departments
- developing Requests for Proposals (RFPs) and awarding contracts, primarily for the development of information technology systems and major outsourcing initiatives

Related to the procurement services are the Supplier Development and Technical Services functions. These include responsibility for quality management and procurement standards and the coordination and administration, on behalf of Alberta, of the Government Procurement chapter of the national Agreement on Internal Trade. These functions also include representing PWSS in matters related to negotiations for inclusion of government procurement in the North American Free Trade Agreement and World Trade Organization, and representing the Alberta government on the Procurement Core Group for the Pacific Northwest Economic Region.

The Central Delivery and Courier Service provides government ministries with a cost-effective and expedient means of transporting interdepartmental correspondence and small parcels between government offices throughout the province.

The Supply Division coordinates, through Surplus Sales operations in Edmonton and Calgary, the



re-use and disposal of goods surplus to the needs of government ministries. In 1995-96, \$4.16-million worth of goods were sold, much of it through contracted auctioneer services, enabling the government to recover the maximum value for these goods. The division also administers the provincial government's Abandoned Vehicle Disposal program and processed 6,046 vehicles in 1995-96, the proceeds of which go to the Motor Vehicle Accident Claims Fund.

The **Information Technology Division** provides leadership and strategic planning, and coordinates information technology and information management services to meet the individual and common requirements of government ministries. This includes managing and providing

information technology facilities and expertise. In 1995-96, facilities included two data centres in Edmonton and one in Calgary, consisting of five main-frame computers and 13 Unix and LAN-based servers. The cost of these services is charged to and recovered from government programs through the PWSS Revolving Fund.

Information management includes the responsibility for administering the government's records management legislation and the Alberta Records Management Committee. This area also coordinated the implementation of the government's Freedom of Information and Protection of Privacy legislation and is responsible for its administration.

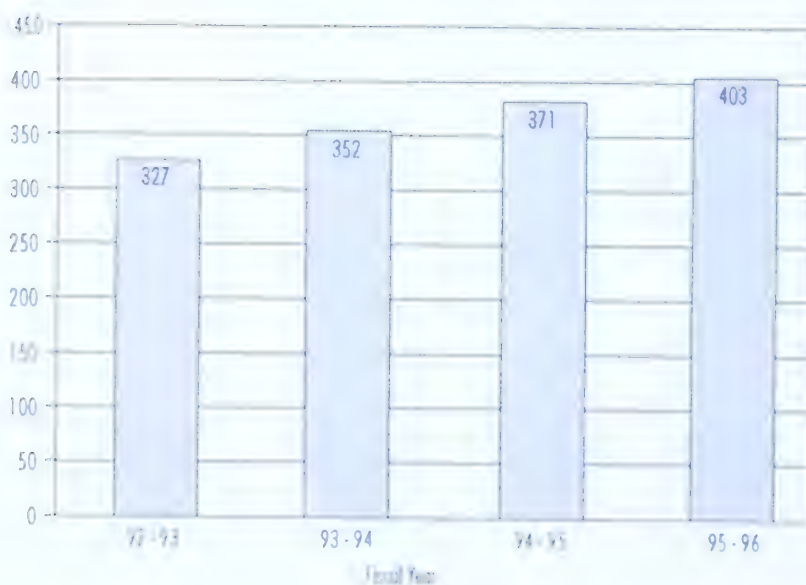
Information management services also provides economical and safe storage for the government's records, operating one records centre facility in Edmonton, managing a contracted service in Calgary, and having responsibility for the disposal of government records. The volume of records to be stored continues to grow, largely as a result of government departments consolidating their office space and cleaning up records holdings (see Chart B).

OUR SUPPORT GROUPS

The three core businesses are supported by four resource groups: Finance, Business Planning, Human Resources and Communications.

CHART B

VOLUME OF RECORDS STORED



Finance provides the department with budgeting, accounting, fiscal business planning, and administrative and financial system support services on the general revenue and revolving funds. During the 1995-96 fiscal year, Finance undertook a number of new budget and accounting responsibilities. Alberta Treasury introduced capital asset accounting and, for the first time, PWSS was required to prepare consolidated budgets, forecasts, and financial statements which combine the General Revenue Fund and the PWSS Revolving Fund. Finance also participated in a government-wide committee to develop the Management Systems Capital Asset Accounting (MSCA) system. Finance developed PWSS capital asset accounting policies and guidelines to help the department identify, record and report asset information.

Just before the end of the 1995-96 fiscal year, Corporate Services was restructured and renamed as **Business Planning**. This resource group is responsible for coordinating the development of the department's business plan, policy planning, implementing the Freedom of Information and Protection of Privacy Act within the department, and developing records management policy for the department. Previous general administration responsibilities held by Corporate Services devolved to line areas of the department.

Human Resources is responsible for providing consulting services required by the department in the areas of staffing, position classifications, employee relations, staff development, organizational analysis and restructuring, occupational health and safety, human resources information systems, and payroll and benefit administration. With the departmental streamlining of support services, the responsibility for staff parking, developing and updating employee directories, and security access was transferred to Human Resources.

As part of the department's employee training program and because of the rapid integration of computer technology in the department's business processes, a new software training facility was created to provide flexible, timely and cost-effective opportunities for employees to develop the necessary competence in all aspects of computer technology.

To ensure a safe working environment, the various areas of the department are represented on the Occupational Health and Safety Committee. The committee is responsible for updating department safety policies, increasing safety awareness and monitoring departmental health and safety activities. In 1995-96, the committee's report showed a continuing decline in the number of accidents, amount of time lost and compensation paid out.



Communications provides communications planning and consulting, and issue management services to the department. In addition, this area is responsible for media relations, providing guidelines, and facilitating internal and external communications, project management, and technical production and advertising. As part of these services, Communications assists in developing and coordinating public consultations, and also develops and implements employee communications programs.

At the end of the 1995-96 fiscal year, Communications assumed responsibility for the departmental information telephone line service and for coordinating PWSS library services with the Neil Crawford Provincial Centre Library, operated by the Department of Agriculture, Food and Rural Development.

OUR CLIENTS AND STAKEHOLDERS

Our clients are all departments, boards and agencies of the Alberta government, for whom we provide services that enable the delivery of government programs. In accordance with the *Government Organization Act*, we may also serve publicly funded hospitals, schools and post-secondary educational institutions. Our external stakeholders include businesses, suppliers, consultants and contractors.

We also maintain ongoing consultation with stakeholder groups through the professional associations affiliated with our core businesses. These include the Association of Professional Engineers, Geologists and Geophysicists of Alberta, the Alberta Association of Architects, the Consulting Engineers of Alberta, and the Alberta Construction Association.

LEGISLATION

Legislation administered directly by the department or in common with other departments:

- Public Works Act
- Major Surface Water Management Legislation
- Health Care Facility Construction Legislation
- Engineering, Geological and Geophysical Professions Act
- Architects Act
- Consulting Engineers of Alberta Act
- Freedom of Information and Protection of Privacy Act

Legislation used by the department in the delivery of programs and services:

- Government Organization Act
- Financial Administration Act
- Government Accountability Act
- Deficit Elimination Act
- Balanced Budget and Debt Retirement Act
- Builders' Lien Act
- Public Service Act
- Public Service Employee Relations Act

REVIEW OF OPERATIONS AND MAJOR INITIATIVES

In our 1995-96 business plan, we developed a series of strategies to help us meet our goals. The strategies focus first on general departmental functions, then on our three core businesses of Property Management, Property Development and Information Technology and Supply, and finally on our internal organizational processes. The following pages explain our achievements in each of these areas.

GENERAL ACTIONS, STRATEGIES AND ACHIEVEMENTS

CLIENT SATISFACTION

To help us become a more responsive and efficient organization in the delivery of services to our client departments, the department undertook a number of surveys to measure client satisfaction.

Property Development surveyed 10 per cent of its capital project clients (40 projects) to obtain feedback on PWSS' service delivery and clients' satisfaction with the product. A customer satisfaction rating of 3.7 exceeded our 1995-96 target of 3.5 (based on a scale of 1 to 5 with 5 being very satisfied). With continuing efforts to improve service delivery, Property Development is confident that higher satisfaction ratings will be achieved in future years.

Information Technology and Supply (IT&S) carried out customer satisfaction surveys for their government procurement, surplus sales and courier businesses. In 1995-96, average customer satisfaction ratings (based on a scale of 1 to 5 with 5 being very satisfied) were 3.94 for procurement, 3.68 for surplus sales, and 4.23 for courier.

ACCOUNTABILITY

A number of initiatives were undertaken to enable individual ministries to be more accountable and responsible in consuming services provided by PWSS.

Arrangements were made for the transfer of responsibility for local telecommunication services, air transportation services, and furnishings and minor tenant improvement projects under \$5,000 to the individual departments. This will allow departments to play a more direct role in achieving cost savings and efficiencies while providing flexibility in meeting specific requirements within critical time frames.

In addition, PWSS now provides each department with a report showing the annual costs of space provided by PWSS. The report includes lease, operating and maintenance costs, the annual capital depreciation on owned buildings, capital project costs and the grants-in-lieu of taxes. These reports assist departments in evaluating the total cost of their program activity.

OUTSOURCING

The department continues to outsource its property management functions where it is cost-effective to do so. During 1995-96, approximately 165,000 square metres of owned space was outsourced through total property manage-

ment contracts. Approximately 60 per cent of Property Management's operations and maintenance expenditures relate to providing services through total property management, minor works and services contracts.

In cooperation with Alberta Transportation and Utilities' initiative to outsource their highway maintenance program, we are in the process of transferring responsibility for the costs of operating and maintaining highway maintenance facilities to Alberta Transportation and Utilities contractors. This will be done through lease agreements. PWSS will, however, retain responsibility for the structural integrity of these facilities. The projected completion date is fall 1996.

PARTNERSHIPS

We facilitated increased arrangements for departments to share government space with local governments and government-funded agencies. These initiatives include:

- Town of Pincher Creek sharing space in the Pincher Creek Provincial Building
- A joint initiative between the provincial and federal governments resulted in Canada/Alberta Service Centres (CASC) being established in Edmonton, Calgary and Lethbridge. The establishment of these

centres required the co-location of three departments – Human Resources Development Canada, Alberta Family and Social Services and Alberta Advanced Education and Career Development – to provide one-stop shopping for the unemployed requiring welfare and career counseling.

- A joint partnership between Economic Development Edmonton, Calgary Economic Development Authority, federal government and Alberta Economic Development and Tourism resulted in new economic development offices being opened in Edmonton and Calgary.

We extended access to our standing offers to the Mental Health Board and the Alberta Securities Commission, and on a pilot basis to a Lethbridge consortium comprising the city, university, college, school districts, hospital and health centre. This enables these publicly funded organizations to use pricing arrangements available on our standing offer agreements.

Seven regional health authorities also took advantage of the PWSS-managed bulk long-distance telephone service contract in 1995-96 and are realizing an average 37 per cent savings in their long-distance calling rates.

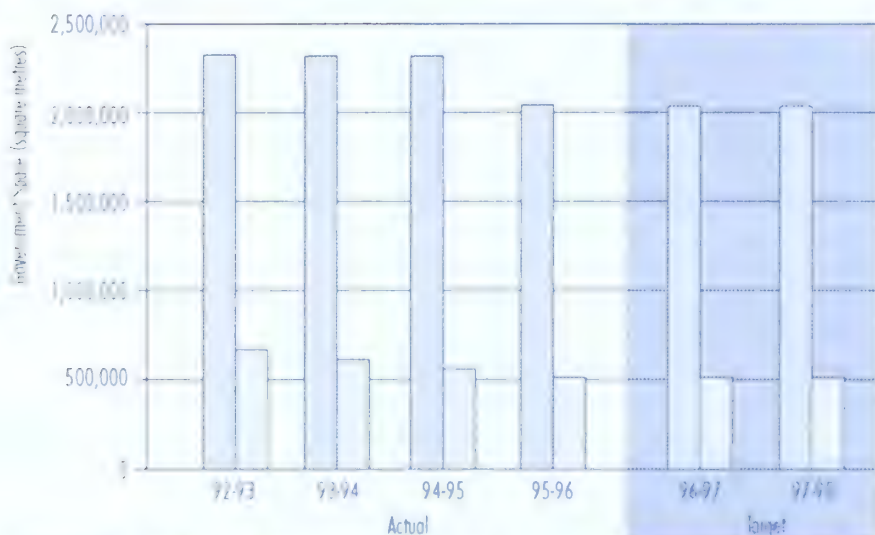


PROPERTY MANAGEMENT AND PROPERTY DEVELOPMENT ACHIEVEMENTS

Achievements of Property Management and Property Development are described under two major categories: space and property holdings, and property development.

CHART C

1995-96 GOVERNMENT SPACE ACHIEVEMENTS



LEGEND



PWSS owns 2,600 buildings totaling approximately 2 million square metres. Our 1994-95 business plan target was to reduce owned space to 2,300 million square metres. An additional 100,000 square metres of space has been approved for disposal. We are actively marketing these properties for sale.

In addition to owned space, we lease approximately 600,000 square metres of government space. We have set our leased space target by approximately 40,000 square metres in 1994-95, exceeding the business plan target by approximately 8,000 square metres.

SPACE AND PROPERTY HOLDINGS

GOVERNMENT SPACE

In response to the implementation of departmental business plans, we have been able to consolidate a large amount of office and warehouse space. In addition, audits of government properties are being continuously undertaken to identify vacant and under-utilized space.

Strategies have been developed and implemented to relocate users from leased to owned space, to terminate leased space, and to sell owned properties that are surplus to government requirements. Whenever leased space becomes surplus, strategies used to decrease costs include negotiating termination of the leases and marketing the space for sub-lease. (see Charts C and D).

Two major initiatives undertaken to reduce government space included negotiating a 25-year lease agreement with Corrections Canada for the continued operation of the Grande Cache Correctional Centre as a medium security institution, and closing Alberta's New York and London trade offices on December 31, 1995.

Non-profit groups have historically occupied government space on a rent-free basis. PWSS is implementing the practice of recovering costs and municipal taxes from such groups.

ENVIRONMENTAL RESPONSIBILITY

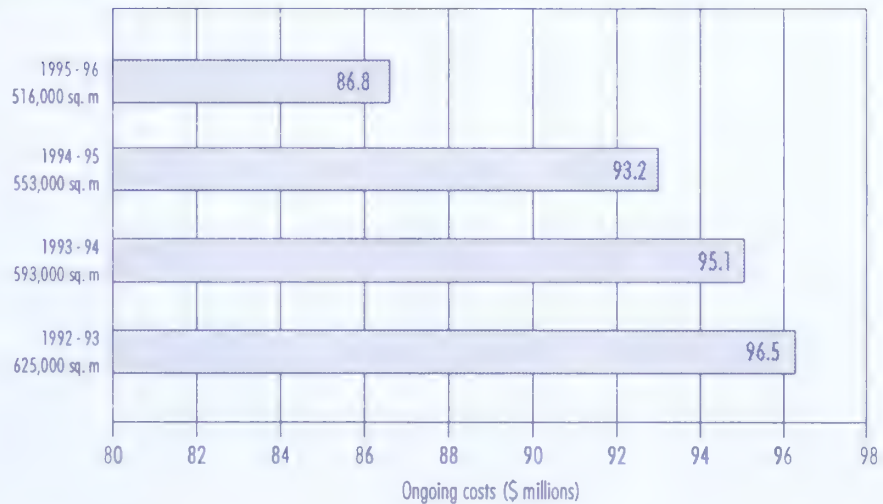
We began a comprehensive program of auditing energy use to identify buildings suitable for cost-effective retro-fits and to establish strategies to reduce energy consumption. This is a major part of the province's commitment to the "Action Plan for Canada's Climate Change, Voluntary Challenge and Registry Program". The work, which will continue to November 1998, will maximize opportunities to reduce energy consumption resulting in reduced energy costs and lower greenhouse gas emissions.

The program of outsourcing the on-site fuel systems at government facilities continued during the year. As part of this program, existing underground tanks and contamination are removed. This program will be completed by the year 2000.

In keeping with government's approach to looking at new ways of doing business, we undertook a number of initiatives which provided cost savings to government. One such initiative is an energy performance contract at the Alberta Vocational Centre in Edmonton. An energy performance contract is a method of accommodating an energy retro-fit in a facility through third-party financing. Using this method, the contractor is paid over a period of three to six years from the savings in monthly utility costs.

CHART

LEASE EXPENDITURES



Once the contractor's investment is repaid, PWSS will realize the full energy and operating savings.

PROPERTY DEVELOPMENT

REGIONAL HEALTH AUTHORITIES (RHAs)

In conjunction with Alberta Health, a comprehensive review of the health facility capital construction program was undertaken. As a result, the approval processes for capital projects were adjusted to better respond to the responsibilities and needs of the RHAs. In some cases, such as the major capital projects under way in Calgary, processes have been further adjusted to meet the needs of an individual region's construction program.



1995-96 CONSTRUCTION CONTRACTS
APRIL 1, 1995 - MARCH 31, 1996

PROGRAM DESCRIPTION	\$	\$ VALUE	# OF CONTRACT AWARDS
Capital Projects	\$	24,178,039	76
Seniors' Lodge Upgrading	\$	1,066,873	37
Health Facility Projects	\$	11,975,030	7
Treasury Branches	\$	3,289,988	5
TOTAL	\$	40,509,930	242

Note: Health Facility Projects Construction Contracts are normally tendered through the Regional Health Authorities.

1995-96 APPROVED CONSULTANT COMMISSIONS
APRIL 1, 1995 - MARCH 31, 1996

PROGRAM DESCRIPTION	\$ SPENT	# OF CONTRACT AWARDS	# OF CONSULTANTS
Capital Projects	\$ 1,882,327	274	139
Seniors' Lodge Upgrading	\$ 425,710	29	2
Water Development Projects	\$ 281,920	9	9
TOTAL	\$ 2,589,957	312	174

Note: Health Facility Projects Consultants are hired directly through the Regional Health Authorities.

significant emphasis on rationalization and efficiency of health care programs, cost-effectiveness and economic payback on capital expenditures, and maximizing the use of existing service capacity before proposing new projects.

CAPITAL PROJECTS

No new construction of government facilities has been undertaken this year. Where practical and cost-effective, new government initiatives have been accommodated in existing owned and leased space.

DESIGN AND CONSTRUCTION STANDARDS

Standards for the design, construction and upgrading of facilities are continuously reviewed and updated. This ensures that accommodation is practical and affordable and that best life-cycle value is obtained for use, operation and maintenance.

During 1995-96, we developed a plan to reduce the cost of construction by applying lower unit cost guidelines to requests for new projects in the health care facilities sector. Design standards and a master specification specifically for the Seniors' Lodge Upgrading Program were also developed.

SENIORS' LODGE UPGRADING PROGRAM

The Lodge Upgrading Program provides funding to upgrade 111 senior citizen lodges, many of

To assist RHAs in developing their capital plans, PWSS in conjunction with Alberta Health developed Capital Planning Guidelines for assessing health facility projects, and also a Capital Projects Rating scale for determining the priority of proposed projects in relation to available funding. These assessment tools were approved by Cabinet and provided to the RHAs. They put

which are 30 to 40 years old. Condition surveys were completed on all the lodges to establish priorities for upgrading. The work includes life safety, building code, mechanical, electrical and building envelope upgrades. In 1995-96, design started on 16 seniors' lodges. Construction also began on 23 seniors' lodges and will be completed in 1996-97. This program continues to the year 2000-01. This is the third year of a seven-year program.

WATER DEVELOPMENT PROJECTS

Work progressed on the Pine Coulee and Little Bow water management projects. The Lieutenant Governor in Council authorized the decision of the Natural Resources Conservation Board (NRCB) granting conditional approval for the Pine Coulee Project near Staveland. The department is waiting to receive other regulatory approvals before project construction can begin.

The draft Environmental Impact Assessment (EIA) was completed for the Little Bow Project near Champion and presented for public review at a series of open houses. The EIA was then finalized and it will be filed with Alberta Environmental Protection. An NRCB hearing is expected to take place in the 1996-97 fiscal year.

In addition, PWSS assumed responsibility for all major provincial water infrastructure rehabilitation projects from Alberta Environmental

Protection. Work has already been scheduled for replacing the St. Mary Spillway near Cardston on the Waterton-St. Mary Headworks System, and the East Arrowwood Syphon near Arrowwood on the Carseland-Bow Headworks System.

INFORMATION TECHNOLOGY AND SUPPLY ACHIEVEMENTS

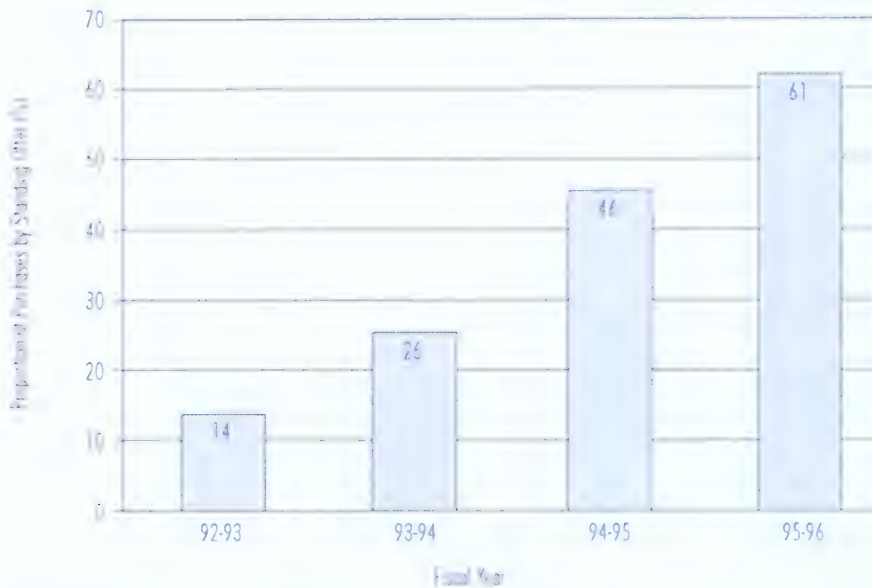
PROCUREMENT

A revised, simplified Direct Purchase Regulation and supporting administrative practices were approved in late 1994. The new regulation changed the delegated purchase authority from \$250 to \$2,500 for general supplies and up to \$25,000 for information technology software under a systems development contract. This gives departments increased access to vendors, as central government procurement services are no longer needed for low cost purchases. It also increases the opportunities for local purchasing, and decreases administrative costs. The 1994 changes, together with overall government downsizing and expenditure reduction, contributed to a reduction of six FTEs in the procurement area in 1995-96.



CHART E

STANDING OFFER PURCHASES AS A PROPORTION OF ALL TENDERED PURCHASES

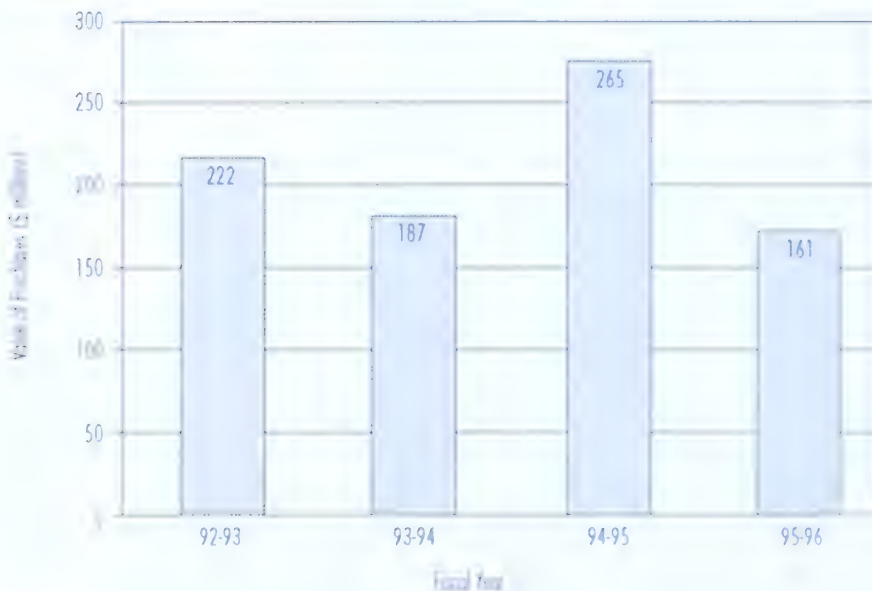


Increased emphasis has been given to implementing standing offer agreements for the procurement of commonly used goods, such as computer software. With standing offers in place, government departments can order goods directly from vendors, rather than incurring the cost and time of having individual tenders handled by the acquisitions area. Chart E shows the increasing use of standing offers, as a percentage of all standing offer and individually tendered goods purchases.

In 1995-96, the total value of government purchases through the acquisitions area was \$161.4-million. With the exception of 1994-95, the total value of purchases has been decreasing. This decrease is attributable to overall government downsizing and privatization. The temporary increase in 1994-95 is due primarily to a few large computer services outsourcing contracts (see Chart F).

CHART F

TOTAL PURCHASES BY PWSS' PROCUREMENT SERVICES



PWSS has continued to foster the use of the Open Bidding Service (OBS), a national one-window electronic system which vendors can access to find out about business opportunities and to order government tender documents. In 1995, PWSS negotiated no-cost use of software, which enables Alberta government departments to directly and economically advertise service contract opportunities through the system. Also throughout 1995-96, PWSS, representing Alberta,

chaired a national working group on electronic tendering. The working group is preparing for a successor system to the OBS, and will oversee tendering and contracting with a service provider who will operate this successor system when the current OBS service contract expires in May 1997.

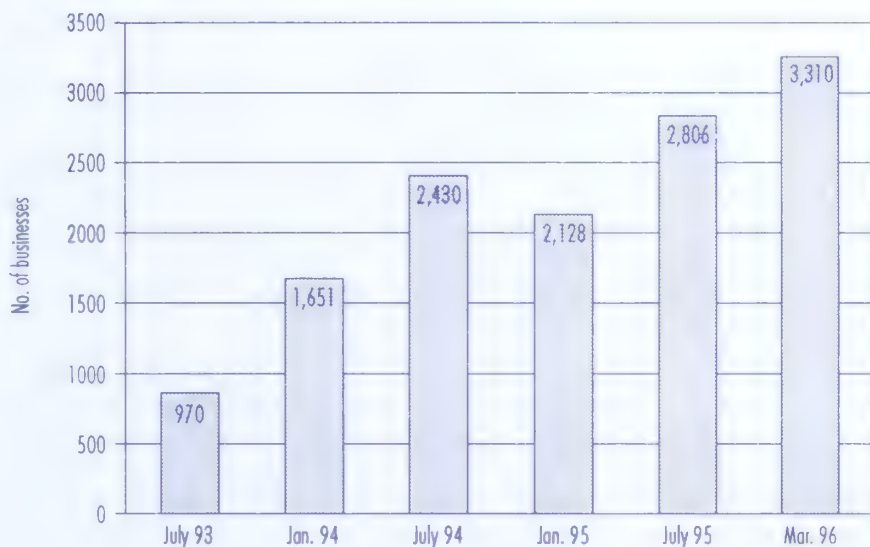
Through OBS, Alberta businesses have easier access to more public sector contracts. Alberta has also seen a significant growth in the number of businesses using the OBS (see Chart G).

TELECOMMUNICATIONS

Telecommunications continued to implement its long-term strategic plan. To improve departments' accountability for telecommunications costs, the transfer of responsibility for local telecommunications services to departments was planned for implementation in 1995-96. This responsibility, along with \$13.94-million in funding, was effectively transferred to departments as of April 1, 1996. Departments will be billed for local services directly by telephone companies and other service providers. The changes also recognize that departments are in a better position to justify and offset increasing telecommunication costs with savings afforded by better telecommunications services.


CHART G

ALBERTA BUSINESSES USING THE OPEN BIDDING SERVICE (OBS)



COURIER SERVICE

PWSS is responsible for providing central delivery and courier services to 97 centres where government offices are located. This service picks up, sorts and delivers interdepartmental material and correspondence to 418 government office sites in Alberta's eight largest cities, and to central drop points in smaller centres in the province. It also provides a postage metering service for mailing government material, and maintains volume-based agreements with Canada Post to assist the provincial government in minimizing postal expenditures. Nearly all of our courier delivery and much of our sorting and



processing work has been contracted out to the private sector, and more will be in the near future. By the end of 1995-96, the sorting and mail metering functions in Red Deer and Lethbridge were outsourced. Delivery services were previously contracted out in both these locations. Annual savings from the combined contracts are approximately \$57,000.

FREEDOM OF INFORMATION AND PROTECTION OF PRIVACY ACT

The Freedom of Information and Protection of Privacy (FOIP) Act was revised and the regulation for administering the act was put in place, as planned, for the October 1, 1995 proclamation of the legislation. The intent of the legislation is to balance the public's right to access and the individual's right to privacy regarding information held by the Government of Alberta.

To help Albertans access information, a fully indexed directory called the Alberta Directory was developed. It lists more than 190 public bodies, their mandates and the type of records in their control. The directory is available through government offices, libraries and MLA constituency offices.

The FOIP Act is binding on all government departments, boards and agencies. Proclamation of the act for local public bodies (municipalities,

academic institutions, schools and hospitals) is expected within five years. Planning for this will begin in 1996-97.

Information on government activities related to the act, including statistics on information requests, will be provided in a separate annual report to be issued in accordance with section 81 of the act.

RECORDS MANAGEMENT

In 1995-96, significant changes were made to records management regulations, policies and guidelines. These revisions reflect the new requirements of the FOIP Act, streamline and further standardize record retention and disposal processes, and help to meet the changing needs of today's government.

INFORMATION TECHNOLOGY

As part of its information technology responsibilities, the department operates centralized data processing facilities on behalf of government departments and agencies. The services are delivered through three computer processing centres, two in Edmonton and one in Calgary.

During this fiscal year, computing services for Alberta Health were outsourced, resulting in a further reduction of 26 FTEs in the Information Technology Division. All affected personnel were

offered an employment opportunity with the contractor; 15 accepted and the others chose to receive a severance package.

In partnership with the private sector, a province-wide master agreement for microcomputer support services was put in place to allow departments access to help desk and microcomputer hardware and software support services. Several departments have since taken advantage of this standing offer, resulting in more outsourcing of government administrative support services.

Also in partnership with the private sector, PWSS continued to develop its electronic data interchange service, EDI Connect. This service was launched in 1994-95 as a means of further automating business dealings between government departments and businesses or entities such as oil and gas companies, retailers and wholesalers, and health practitioners. Through EDI Connect, these entities and government can substantially reduce the costs and labour of handling business transactions. As of the end of 1995-96, 44 oil and gas companies are regularly providing up to 18,000 gas production documents a month to Alberta Energy, via PWSS facilities and a secure private-sector value-added network. In addition to managing EDI Connect and the services provided by the private sector to Alberta Energy, PWSS assisted four other departments in

the testing and evaluation of EDI Connect in 1995-96.

To minimize expenditures and duplication, the Alberta government, through PWSS' Government-Wide Standards-Based Technology Architecture Project, continued to update and develop new corporate standards and guidelines for the use of information technology. This was to ensure that all the architectural elements (including hardware, software, networks, shared services such as Internet and e-mail gateways, and application systems such as finance and human resource management) continued to work in harmony. Phase two of this project, which began in 1995-96 and will continue into early 1996-97, includes developing documented preferred standards and guidelines and providing advice to other government strategic information technology projects.

Through the Association for Canadian Informatics in Government (ACIG), PWSS works with other provincial and territorial governments and the federal government to share ideas, information, experiences and products relating to the management of information technology. Joint initiatives include reviews of policy and practices, surveys of technology use, an annual salary survey, and publication of a systems inventory.

Along with preparing to host the 1996 annual conference, Alberta has led the way in two ACIG



initiatives. With input from all member jurisdictions, Alberta prepared a revised and expanded ACIG mandate. As well, Alberta initiated a pilot Internet home page. A major feature of the Internet system is that it allows electronic access and searching of systems inventory information, which in turn facilitates the transfer of information technology systems among jurisdictions. These no-cost transfers often eliminate or reduce the cost of developing similar systems in each jurisdiction. Alberta has taken advantage of this arrangement by obtaining an automated tracking

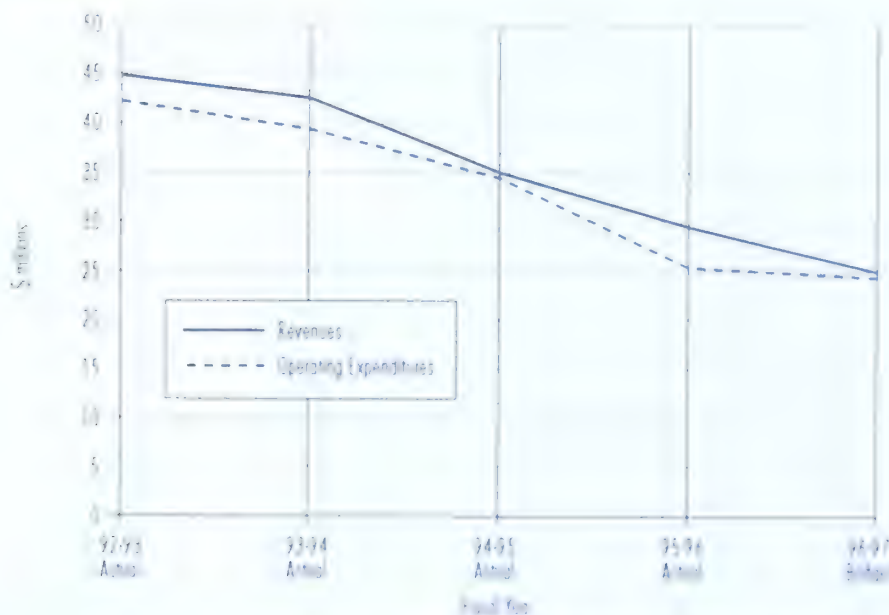
system from the federal government to use in our Freedom of Information and Protection of Privacy program implementation.

COST IMPROVEMENT INITIATIVES

With departments outsourcing their computing services, the division's business volumes and revenues have been significantly reduced (see Chart H). It has been a significant challenge to reduce costs at a comparable pace. This has been achieved by transferring staff to outsourcers, further automating computer operations and by delaying upgrades to computer hardware, thereby minimizing amortization expenses. Further cost reductions, to bring about reduced unit rates for charge-back to remaining customer departments, have not been possible in 1995-96. Charge-back rates have been held in check despite proportionately increased fixed costs being spread over reduced business volumes. Cost reduction initiatives will continue to be pursued in future years.

CHART H

COMPUTER PROCESSING REVENUES AND OPERATING EXPENDITURES



Based on the 1996-97 actuals, computer processing revenues and operating expenditures in this area have been reduced by more than 64 per cent since 1992-93 as a result of outsourcing and cost reduction initiatives.

ORGANIZATIONAL STREAMLINING AND WORK PROCESSES ACHIEVEMENTS

STREAMLINING

We continued consolidating operations within the department and across government. Initiatives included amalgamating the Transportation and Utility Corridors (TUC) within the Property Management regional organization structure. This reduced overlap and streamlined our organizational structure.

As part of the transition process from hospital boards to Regional Health Authorities (RHAs), Finance conducted an internal review to identify areas in the administration of health care facility projects that could be streamlined. For example, Finance began to establish one bank account per health authority or provincial board, a major change from the previous requirement of one bank account per project. This and other improvements were favourably received by the RHAs.

The government embarked on an initiative to re-evaluate the management classification system. As part of our focus on a timely and relevant service, we are converting the department's management positions to a job evaluation plan that supports the new approach to government,



i.e., streamlined operations, broader accountability and less hierarchy. The evaluation of jobs was carried out by a team of managers representing a cross-section of the department. The team was trained in the application of the new plan and had a good understanding of the work and structure of PWSS.

PWSS is one of two government departments participating in a 10-month pilot project to provide comprehensive medical rehabilitative support and recovery services to employees absent on illness leave. The intent of the project is to enable employees to return safely to productive work at an earlier date. This results in reduced costs of illness leave, increased productivity, and at the same time provides enhanced medical services for ill employees.

PROCESSES

To reduce the labour content of internal work processes, we streamlined internal administration processes to encourage better ways of doing things with fewer checkers. A number of improvements were also made to internal computer systems to enable the department to operate in a more efficient and cost-effective manner.

A pilot project to use a government procurement card for low cost purchases was successfully



concluded in late 1995. The three departments who participated processed more than 10,000 transactions for a total value of more than \$2-million and unanimously recommended continued use of the card. A multi-departmental feasibility study showed that using the card will save at least \$10 per transaction in administrative costs. Immediately following the pilot, the card was introduced to other government departments, all of which are now considering its implementation. Using the card is a more efficient way to acquire low cost goods. It speeds up payment to vendors, affords increased opportunity to make purchases locally, and can improve data collection and summary reporting of low cost acquisitions.

More than 50 per cent of all government employees are now accessible through electronic mail, resulting in faster delivery of communications and cost avoidance where e-mail is replacing paper correspondence. PWSS is helping the Alberta government take advantage of e-mail communications between departments and with the public by providing and improving the information technology and telecommunications infrastructure needed. For example, a new service called Mail Connect was developed in 1995-96 and will be launched in 1996-97. It complies with new e-mail standards, and facilitates the transmittal of electronic documents as attach-

ments to e-mail messages between different e-mail systems.

In April 1995, the Online Surplus Sales Information (OSSSI) system was implemented. This system reduces duplication of departments' and PWSS' Surplus Sales operations. Information on goods surplus to the needs of a government program is electronically entered once in the OSSSI system and can then be viewed by others. This facilitates reallocation of goods within a department or to another department. If goods are not reallocated, the same information is used by Surplus Sales to dispose of the goods.

SHARING COMMON SERVICES

PWSS continued to assist boards and agencies to reduce duplication and achieve savings by giving them access to the common services we provide.

In 1995-96, one telecommunications pilot project continued and three others started. All projects are managed as part of the government telecommunications networks. This approach offers the opportunity for cost savings compared to the alternative of boards and agencies contracting directly with the private sector for each service, line or regional/provincial network service needed. The four projects are as follows:

1. Schoolnet is a national initiative to connect schools across the country and to

provide each school with access to Internet services. In Alberta, a pilot project provided dial-up connections to the Internet for 100 schools in 1994-95. By the end of 1995-96, this service had been extended to a total of 320 schools.

2. In the Grande Yellowhead Regional District a pilot project was initiated to electronically connect schools within the district to one another and to the district school office in Edson. After the equipment is installed and the pilot operation is evaluated, the pilot may serve as a model for providing services to other school districts, with facilities ultimately shared with other sectors such as health.
3. A pilot project to support health programs connected health facilities within the Chinook Health Region. A range of telecommunications services was provided to hospitals and clinics in Cardston, Crowsnest Pass, Pincher Creek, Taber and Lethbridge. The project may serve as a model for extending these services to other RHAs.
4. In a pilot project to facilitate searching and interlibrary loan messaging, 24 of Alberta's public libraries were connected through dial-up to the government data network.

REGULATORY REVIEW

Consistent with the objectives of government, PWSS prepared a Regulatory Reform Plan. The plan was reviewed by the Regulatory Reform Task Force and approved by Treasury Board. The department has 14 sets of regulations under six different acts which need to be reviewed. The plan is to review all the regulations over the four-year period from 1996 through 1999. In accordance with the business plans of the department and based on the results of impact assessments, these regulations will be updated, amended, rewritten or rescinded.

GOVERNMENT PROCESSES

The department participated in changes to key government processes. Government's implementation of the procurement chapter of the national Agreement on Internal Trade is being coordinated by PWSS. In 1995-96, PWSS represented the province at negotiations to extend coverage of these government procurement provisions to municipalities, municipal organizations, school boards, and publicly funded academic, health and social service entities. Completion of these negotiations will result in greater access for Alberta businesses to public sector procurement in Canada.



RESULTS AND PERFORMANCE MEASURES

PERFORMANCE INDICATORS

Following are the six key performance indicator areas against which our goal attainment will be measured:

SPACE/PROPERTY HOLDINGS

PWSS managed approximately 2 million square metres of owned space during 1995-96. Our initial 1995-96 benchmark target of \$45 per square metre is being reviewed and refined. The benchmark target is defined as the average operating cost per square metre of space which is owned and managed by PWSS. The performance measure reflects a requirement to accommodate government departments within a balance of appropriate standards, quantity and cost, while maintaining the existing infrastructure, preventing deterioration of facilities, and improving the utilization of space.

As government downsizes, ongoing space audits are conducted to identify and eliminate under-utilized pockets of space. Over the last few years, in consultation with our client departments, we have been aggressive in consolidating departmental office and warehouse space and disposing of space that is surplus to government requirements.

PROPERTY DEVELOPMENT

Our emphasis continues to be on increasing the utilization of our existing facilities and on maintenance activities to extend the useful life of our essential facilities.

HUMAN RESOURCES

In 1995-96 we reduced our staff complement by a total of 99 FTEs, as a result of ongoing restructuring, privatization and outsourcing initiatives. All employees affected by these initiatives were offered support and counselling services. A software training facility was set up, providing timely and cost-effective training in all aspects of computer technology. A new management job evaluation plan, which supports broader accountability, was implemented. A 10-month pilot project to provide rehabilitative support and recovery services to employees absent on illness leave was also implemented.

INFORMATION TECHNOLOGY

The 1995-96 rates charged to user departments for PWSS' information technology services remained the same as those used in 1994-95. Our revenues from these charges have declined significantly due to outsourcing of central computing services. However, we have been able to match these revenue reductions by reducing costs, thus avoiding the need to increase rates.

The average central computing facilities' response times and availability to users have been maintained at appropriate levels.

- Unit costs for telecommunications services are determined by dividing the total local service and province-wide network costs (for each of our voice, data and radio service categories) by the number of units (telephone lines, terminals, mobile radios) receiving each service in government.
- Unit costs for voice services have declined faster than expected as a result of some growth in the number of telephone lines using the government network services.
- Data communications unit costs have increased in 1994-95 and 1995-96 due to upgrades in province-wide network services required by user departments. The measures show that the government's data communications costs are increasing, reflecting a continued need for faster data transmissions, increased transmission capacity, more complex services, and connections to more government facilities in the province.
- Mobile radio service unit costs increased in 1995-96. This reflects increasing equipment maintenance and rental costs in 1995-96, and expansion of the coverage provided in

certain rural areas of the province to meet defined needs of user departments.

As of April 1, 1996, funding and responsibility for local telecommunications services, such as monthly rental costs on telephone lines, were transferred to user departments. The costs of these local services were a major component of our 1992 to 1995 performance measures, but will no longer be applicable to PWSS beyond 1995-96.

SUPPLY

The annual operating costs of our government procurement services are divided by the total value of purchases made on behalf of government ministries, to obtain our main efficiency measure "cost per \$ value of purchases". In 1994-95, our result was more favourable than expected, due to a \$100 million (40 per cent) increase in purchase values associated with a few large computer services outsourcing contracts. In 1995-96, the result was as targeted, \$.016 or 1.6 cents per dollar of acquisition.

EXPECTED RESULTS

The following are the desired key results to be achieved each year of the plan and the actual achievements for the 1995-96 fiscal year.

EXPECTED RESULTS AND ACHIEVEMENTS 1995-96

ACTIVITY	1992-93 ACTUAL	1993-94 ACTUAL	1994-95 ACTUAL	1995-96 ESTIMATES	1995-96 ACTUAL	1996-97 ESTIMATES*	1997-98 *TARGET
SPACE							
LEASED							
Total space (000 sq. m)	525	593	613	624	516.0	494	488
Ongoing costs (\$ millions)	96.5	95.1	93.2	87.2	86.8	81.6	81.7
OWNED							
Total space (000 sq. m)	2,405	2,300	2,300	2,421	1,993**	1,970	1,970
Total space in program use					1,903		
Buildings declared surplus and held for sale					96		
Ongoing costs (\$ millions)	117.9	117.8	109.8	101.0	96.7	96.6	94.2
PROPERTY HOLDINGS							
Surplus properties (\$ millions)	65.7	64.5	111.9	83.7	87.8	69.3	57.3
PROPERTY DEVELOPMENT (Activity in \$ millions)							
HEALTH CARE FACILITIES							
Capital upgrading	13.6	13.5	14.2	25.0	27.6	18.3	20.0
Major projects	140.2	119.8	16.5	86.2	66.7	87.0	81.0
CAPITAL CONSTRUCTION	41.9	21.2	17.5	28.7	32.5	14.5	24.7
WATER DEVELOPMENT PROJECTS	27.6	3.4	1.9	26.0	12.7	15.0	31.1
SENIORS' LODGE							
UPGRADING PROJECTS							
Net spending	7.7	13.5	9.8	12.0	18.0	14.0	15.8
ADMINISTRATION	22.8	22.4	16.0	17.7	14.6	18.2	17.1
PEOPLE (FTEs)	2,524	2,558	1,845	1,447	1,348	1,446	1,225
BUDGET (\$ millions)							
GRF revenues (non-dedicated)	30.1	7.6	11.4	9.6	(24.3)	1.1	122.7
Ministry net spending	554.2	522.1	445.6	474.3	449.5	435.6	423.9
INFORMATION TECHNOLOGY							
Revolving Fund Rate							
increases/decreases (%)	0	33	4	0	0	0	0
Computer response time (seconds)	8	2	7	2	2	2	2
Computer availability (%)	98.0	98.0	98.5	98.0	98.5	98.0	98.0
Telecommunications (cost \$/tel./year)							
Voice (Telephone/Fax)	547	518	480	504	474	N/A	N/A
Data (Terminals)	916	821	916	745	993	N/A	N/A
Radio (MDMRS-radio units)	1,357	1,313	1,253	1,187	1,290	N/A	N/A
SUPPLY (Cost per \$ value of purchases)	0.011	0.021	0.010	0.016	0.016	0.016	0.016

* All financial information for 1996-97 and 1997-98 is based on Agenda '96

** Changed from gross square metres to rentable square metres for consistency with industry practice

FINANCIAL REPORTS

COMPARATIVE STATEMENT OF OPERATING EXPENDITURE (\$000)

OPERATING EXPENDITURE	GROSS 1995-96 ESTIMATES	1995-96 ACTUAL	COMPARABLE 1994-95 ACTUAL
GENERAL REVENUE FUND - VOTED			
PROGRAM 1 - DEPARTMENTAL SUPPORT SERVICES			
1.0.1 Minister's Office	270	233	208
1.0.2 Deputy Minister's Office	260	205	247
1.0.3 Departmental Support	10,240	9,912	9,367
1.0.4 Amortization of Capital Assets	150	8	58
	10,920	10,358	9,880
PROGRAM 2 - INFORMATION TECHNOLOGY AND SUPPLY			
2.1 Information Technology	7,320	7,663	6,705
2.2 Supply	5,675	5,989	5,890
2.3 Telecommunications	38,975	41,066	41,165
	51,970	54,718	53,760
PROGRAM 3 - MANAGEMENT OF PROPERTIES			
3.0.1 Property Management Business Support	28,560	26,883	35,405
3.0.2 Property Management Operations	72,410	69,598	65,224
3.0.3 Air Transportation	4,750	5,192	4,657
3.0.4 Leases	87,200	86,799	93,221
3.0.5 Amortization of Capital Assets	1,200	880	1,121
	194,120	189,352	199,628
PROGRAM 4 - PLANNING AND IMPLEMENTATION OF CONSTRUCTION PROJECTS			
4.1 Property Development	17,600	14,625	18,015
4.2 Advanced Education and Career Development	440	718	830
4.3 Agriculture, Food and Rural Development	120	625	108
4.4 Community Development	765	1,021	563
4.5 Economic Development and Tourism	1,685	1,911	901
4.6 Education	130	770	206
4.7 Energy	20	33	1
4.8 Environmental Protection	1,970	7,065	1,604
4.9 Executive Council	20	7	76
4.10 Family and Social Services	385	246	318
4.11 Health	107,910	93,284	65,909
4.12 Justice	365	1,548	3,501
4.13 Labour	-	6	61
4.14 Multi-Use Facilities, PWSS	66,900	57,849	79,930
4.15 Municipal Affairs	20,940	19,835	9,816
4.16 Transportation and Utilities	130	55	669
4.17 Treasury	-	0	61
	219,380	199,598	182,569
GENERAL REVENUE FUND - VOTED	476,390	454,026	445,837
REVOLVING FUND - STATUTORY*	(200)	(2,653)	(215)
MINISTRY	476,190	451,373	445,622

* Net Operating Expenditure / (Revenue). As per Treasury's adjustments, 1995-96 Actual reflects a \$1-million repayment to the GRF and changes in prepaid expenses and inventory.

COMPARATIVE STATEMENT OF CAPITAL INVESTMENT (\$000)

CAPITAL INVESTMENT	GROSS 1995-96 ESTIMATES	1995-96 ACTUAL	COMPARABLE 1994-95 ACTUAL
GENERAL REVENUE FUND - VOTED			
PROGRAM 1 - DEPARTMENTAL SUPPORT SERVICES			
1.0.3 Departmental Support	120	0	24
	120	0	24
PROGRAM 2 - INFORMATION TECHNOLOGY AND SUPPLY			
2.1 Information Technology		184	0
2.2 Supply	0	0	0
2.3 Telecommunications	275	2,386	24
	850	2,570	281
PROGRAM 3 - MANAGEMENT OF PROPERTIES			
3.0.1 Property Management Business Support	260	202	105
	260	202	105
PROGRAM 4 - PLANNING AND IMPLEMENTATION OF CONSTRUCTION PROJECTS			
4.1 Property Development	100	235	18
4.2 Advanced Education and Career Development	450	294	678
4.3 Agriculture, Food and Rural Development	200	406	18
4.4 Community Development	125	0	18
4.5 Economic Development and Tourism	750	1,777	703
4.6 Education	75	60	44
4.7 Energy	90	105	10
4.8 Environmental Protection	27,305	7,685	3,079
4.9 Executive Council	45	0	45
4.10 Family and Social Services	120	602	118
4.11 Health	3,420	1,361	5,193
4.12 Justice	1,815	1,072	774
4.13 Labour	200	171	231
4.14 Multi-Use Facilities, PWSS	18,400	24,254	7,942
4.15 Municipal Affairs	0	15	198
4.16 Transportation and Utilities	475	84	113
	53,670	39,148	20,826
GENERAL REVENUE FUND - VOTED	54,900	41,920	21,238
REVOLVING FUND - STATUTORY	7,100	9,248	12,919
MINISTRY	62,000	51,168	35,155

COMPARATIVE STATEMENT OF REVENUE FOR YEAR ENDED MARCH 31, 1996 (\$000)

	1995-96 ESTIMATES	1995-96 ACTUAL	COMPARABLE 1994-95 ACTUAL
FEES, PERMITS AND LICENCES	3,000	2,677	2,872
Civil Service Parking	3,000	2,673	2,872
Freedom of Information and Protection of Privacy	-	4	-
OTHER REVENUE	8,660	(25,177)	8,566
Investment Income	500	6,033	-
Refunds of Expenditure			
Previous Years' Refunds	1,000	6,211	8,019
Surplus Sales	200	1,642	1,491
Capital Asset Revenue			
Write Down of Capital Assets	-	(62,771)	-
Gain or (Loss) on Disposal of Capital Assets	(3,440)	9,673	(11,251)
Miscellaneous			
Rentals	8,300	10,106	10,089
Other	2,100	3,929	218
TOTAL REVENUE	11,660	(22,500)	11,438

DISCLOSURE OF SALARIES AND BENEFITS⁽¹⁾ FOR YEAR ENDED MARCH 31, 1996

		1995-96				1994-95 ⁽⁷⁾	
		# OF INDIVIDUALS ⁽²⁾	SALARY ⁽³⁾	BENEFITS & ALLOWANCES ⁽⁴⁾	TOTAL	# OF INDIVIDUALS ⁽²⁾	COMPARABLE TOTAL
SENIOR OFFICIALS							
Deputy Minister		0.9	87,592	12,939	100,522		
Assistant Deputy Minister		0.1	8,175	1,183	9,358	1	17,646
EXECUTIVES							
Assistant Deputy Minister							
Finance & Administration		0.5	36,664	8,968	45,632	1	71,849
Assistant Deputy Minister,							
Property Development			96,558	17,364	113,922	1	188,640
Assistant Deputy Minister,							
Information Technology and Supply			84,744	41,490	126,234	1	188,823
Assistant Deputy Minister,							
Property Management			78,201	17,507	95,708	1	188,849
Assistant Deputy Minister,							
Strategic Business Initiatives		0.1	18,447	8,291	26,738		101,023
Exec. Director, Human Resources		1	88,745	16,714	104,859		144,441
Director, Communications		1	48,810	10,342	54,152		139,429
OTHER MANAGERS							
AVERAGE '96 - 200	200		11,438,114	2,426,354	13,864,470	233	15,386,344
AVERAGE '95 - 200							
SALARIED STAFF ⁽⁸⁾							
AVERAGE '96 - 873	873		27,917,901	5,545,311	33,463,212	1,089	42,535,543
AVERAGE '95 - 873							
PROFESSIONAL STAFF							
AVERAGE '96 - 195	195		9,634,445	1,515,034	11,189,483	232	12,960,651
AVERAGE '95 - 195							
NON-SALARIED STAFF ⁽⁹⁾							
			713,566	52,729	766,295		1,187,723
			50,256,364	9,707,211	59,963,575 (10)(11)		73,249,657 (10)(11)

(1) This report discloses salaries and benefits for the Department and the Public Works, Supply and Services Revolving Fund. Long-term benefits, where applicable, are disclosed.

(2) The number of employees is based on a ratio average for the year.

(3) Amounts for salary include regular gross pay and supplementary payments to employees such as shift differential, paid overtime, and Productivity Plus awards.

(4) Amounts shown include employee contributions for health care, workers' compensation, life insurance, unemployment insurance, pension plans, dental plans, and long-term disability insurance. The amounts also include vacation pay, sick leave pay, and other payments for non-management personnel. These amounts are a result of the impact of departmental downsizing. It also includes payments for tuitions, memberships and other allowances.

(5) Amounts shown include expenses and benefits for both the current and former Deputy Ministers. The former Deputy Minister was transferred to the Department of Municipal Affairs May 1995. The A.M. of Property Development at that time was appointed Deputy Minister. The Deputy Minister is provided with an allowance. This amount is not included in the benefits and allowances. A portion of his or her employee's salary is the amount of \$1,447 per hour included in the Deputy Minister's salary.

(6) While the A.M. of Finance and Administration was transferred from P.W.S. to Municipal Affairs in September 1995, P.W.S. chose to eliminate the position, leaving the number of A.M.s in the department to three (3). The benefits & allowances for the A.M. of Information Technology and Supply reflect a similar amount in the amount of \$77,814 moving from the department of the former A.M. The A.M. of Strategic Business Initiatives was appointed as A.M. of Property Development in May 1995. The position of A.M. of Strategic Business Initiatives no longer exists as of May 1995.

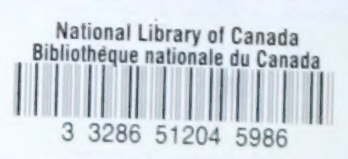
(7) In 1994-95, A.M. of Finance and Administration was changed to reflect new role divisions. The elements of the Administration Services A.M. job were shared between the A.M.s of Capital Development, Property Management and Strategic Business Initiatives. Capital Development is the former A.M. of Property Development. An Administration job was moved to Strategic Business Initiatives. The Assistant Deputy Minister of Administration is now the Assistant Deputy Minister of Property Management and the Assistant Deputy Minister of Property Management and Air Transportation has moved to Strategic Business Initiatives.

(8) Salaried staff includes permanent, temporary and superwage, part-time permanent, and part-time temporary individuals.

(9) Non-salaried staff are wage employees paid at an hourly rate.

(10) The total excludes costs for the Summer Temporary Employment Program (STEP) and Employment Skills Program (ESP).

(11) Certain 1995 figures have been reclassified to conform to the 1996 presentation.



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